

House Study Bill 642 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
ADMINISTRATIVE SERVICES
BILL)

A BILL FOR

1 An Act regarding direct purchasing from vendors by agencies and
2 including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8A.311, subsection 10, paragraph a, Code
2 2018, is amended to read as follows:

3 a. The director shall adopt rules providing that any state
4 agency may, upon request and approval by the department,
5 purchase directly from a vendor if the direct purchasing is
6 more economical than purchasing through the department, if the
7 agency shows that direct purchasing by the state agency would
8 be in the best interests of the state due to an immediate or
9 emergency need, or if the purchase will not exceed ~~ten thousand~~
10 ~~dollars~~ an amount established by the department by rule and
11 the purchase would contribute to the agency complying with the
12 targeted small business procurement goals under sections 73.15
13 through 73.21.

14 Sec. 2. EMERGENCY RULES. The department shall adopt
15 emergency rules under section 17A.4, subsection 3, and section
16 17A.5, subsection 2, paragraph "b", to implement the provisions
17 of this Act and the rules shall be effective immediately upon
18 filing unless a later date is specified in the rules. Any
19 rules adopted in accordance with this section shall also be
20 published as a notice of intended action as provided in section
21 17A.4.

22 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
23 importance, takes effect upon enactment.

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with
26 the explanation's substance by the members of the general assembly.

27 Currently, the director of the department of administrative
28 services must adopt rules to guide state agencies' decisions
29 of whether to purchase directly from vendors or through the
30 department. An agency may purchase directly from a vendor
31 per the agency's procurement authority if doing so is more
32 economical than purchasing through the department, if the
33 agency shows that direct purchasing is in the best interests
34 of the state due to an immediate or emergency need, or if
35 the purchase will not exceed \$10,000 and the purchase would

1 contribute to the agency complying with targeted small business
2 procurement goals.

3 This bill deletes the \$10,000 maximum amount that an agency
4 cannot exceed when making a purchase that would contribute
5 to the agency complying with the targeted small business
6 procurement goals and instead requires the department to
7 establish the maximum amount by administrative rule. The bill
8 requires the department to adopt rules to implement the bill
9 pursuant to emergency rulemaking provisions in Code chapter
10 17A.

11 The bill takes effect upon enactment.